

consented to the terms of this *Consent Judgment and Permanent Injunction Order As To Defendant Kevin Lee Cronin* ("Consent Judgment").

Based upon the record herein, the Court makes the following:

FINDINGS OF FACT

1. The State filed its *Complaint* and a *Motion for a Temporary Restraining Order and Preliminary Injunction*, which included seven supporting affidavits with documentary exhibits, on April 25, 2016.

2. In its Complaint, the State alleged that defendant Cronin, acting in concert with the other named defendants, engaged in illegal lending activities in North Carolina by soliciting, extending, and collecting on usurious vehicle title loans made to North Carolina consumers, that grossly exceeded allowable interest rate limits, and without being duly licensed, in violation of the Consumer Finance Act, N.C. Gen. Stat. § 53-164, *et seq.*, Chapter 24 of the General Statutes, and the Pawnbrokers and Cash Converters Modernization Act, N.C. Gen. Stat. § 66-385, *et seq.*; and engaged in unfair and deceptive practices by, among other practices, repossessing consumers' vehicles that secured such illegal loans, in violation of N.C. Gen. Stat. § 75-1.1.

3. This Court entered a Temporary Restraining Order on April 28, 2016, which was extended by orders entered by this Court on May 9, 2016 and on May 16, 2016. On May 23, 2016, this Court entered a Preliminary Injunction Order which enjoined the defendants, including defendant Cronin, from soliciting, making, or collecting on any consumer loans to North Carolina consumers and from placing or transferring liens on North Carolina consumers' vehicle titles, except to return them to consumers.

4. Defendant Cronin consents to the jurisdiction of this Court for the purpose of entry of this Consent Judgment, and he consents to the jurisdiction of this Court in connection

with any subsequent proceedings by the Attorney General enforcing or relating to this Consent Judgment. Defendant Cronin does not consent to the jurisdiction of this Court for any other purpose, and the entry of this Consent Judgment should not be viewed as such.

5. Defendant Cronin agrees to the terms of this Consent Judgment solely for the purpose of voluntarily resolving disputed claims and to avoid the expense and uncertainty of continued litigation. In entering into this Consent Judgment, defendant Cronin does not admit or acknowledge that he has violated the law in the conduct of defendants' lending activities in North Carolina or elsewhere, or to any other violation of law or wrongdoing in North Carolina or elsewhere.

6. Defendant Cronin attests, under penalty of perjury, that he is no longer employed by, or affiliated with defendants, and that he is no longer engaged in any consumer lending or consumer loan collections business. Defendant Cronin further attests, under penalty of perjury, that the financial information he has provided to the State is true and correct.

7. Defendant Cronin further attests that: (a) he claims no ownership, right, or interest in any loans made by defendants to North Carolina consumers under any name, including but not limited to loans made by defendants in the name(s) of Liquidation, LLC; Loan Servicing Solution, LLC; Servicing Company DE, LLC; AutoLoans, LLC; Car Loan, LLC and/or Sovereign Lending Solutions, LLC, or similar names; and (b) he claims no ownership, right, or interest in any liens placed by any of the foregoing on any North Carolina consumers' vehicle titles and takes no position with regard to, and has no objection to, the cancellation of any such liens.

CONCLUSIONS OF LAW

8. The Court has jurisdiction over the State and defendant Cronin and the subject matter of this action based on defendant Cronin's consent to the jurisdiction of this Court for the purpose of entry of this Consent Judgment and any subsequent proceedings by the Attorney General enforcing or relating to this Consent Judgment.

9. Defendant Cronin was properly served process under N.C.R. Civ. P. 4.

10. Good cause exists for the entry of this *Consent Judgment and Permanent Injunction Order*, and the State is entitled to the relief set forth herein pursuant to N.C. Gen. Stat. §§ 53-166, 24-1.1, 24-2, 24-2.1, 75-14, 75-15, and 75-15.1.

BASED ON THE FOREGOING and the record herein, the Court concludes that good and sufficient cause exists for the entry of this judgment and permanent injunction pursuant to Chapters 24, 53, and 75 of the North Carolina General Statutes, and the Court adopts the agreement of the parties and these findings as its determination of their respective rights and obligations.

PERMANENT INJUNCTIVE PROVISIONS

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that defendant Kevin Lee Cronin, together with his agents, and all persons in active or future concert or participation with them, are hereby permanently enjoined as follows:

A. Defendant Cronin shall not engage, participate, or facilitate, directly or indirectly, in the offering, making, arranging, or collecting on any loans made by any of the named defendants, including loans made in the guise of pawns, to North Carolina consumer borrowers.

B. Defendant Cronin shall not operate, engage, participate, or facilitate, directly or indirectly, in any consumer lending activities, including loan collections, in the State of North

Carolina or involving North Carolina borrowers, without such activities' full compliance with state and federal laws regulating consumer credit and debt collection. These laws include, but are not limited to: (i) the North Carolina Consumer Finance Act, N.C. Gen. Stat. § 53-164, *et seq.*; (ii) Chapter 24 of the North Carolina General Statutes; (iii) the Pawnbrokers and Cash Converters Modernization Act, N.C. Gen. Stat. § 66-385, *et seq.*; (iv) the North Carolina Debt Collection Act, N.C. Gen. Stat. § 75-50, *et seq.*; (v) the North Carolina Collection Agency Act, N.C. Gen. Stat. § 58-70-1, *et seq.*; (vi) the Truth In Lending Act, 15 U.S.C. § 1601, *et seq.*; and (vii) the Fair Debt Collection Practices Act, 15 U.S.C. § 1692, *et seq.* "Consumer lending" as used in this Consent Judgment shall include any transaction, the purpose of which, taken as a whole, is to advance funds to a consumer, or to a sole proprietor where the funds are actually used for a personal, family or household purpose, with the expectation of repayment, whether the transaction is styled as a loan, pawn, lease, or other transaction.

C. Defendant Cronin shall not engage in any unfair or deceptive practices in the conduct, directly or indirectly, of any consumer lending activities in North Carolina or involving a North Carolina borrower, in violation of N.C. Gen. Stat. § 75-1.1.

IT IS FURTHER ORDERED that if defendant Cronin violates any injunctive provision of this Consent Judgment, a civil penalty of not less than two hundred and fifty thousand dollars (\$250,000.00) shall be imposed against defendant Cronin pursuant to N.C. Gen. Stat. § 75-15.2.

MONEY JUDGMENT AND PAYMENT PROVISIONS

IT IS ORDERED, ADJUDGED AND DECREED that the State, pursuant to N.C. Gen. Stat. §§ 75-1.1, and 75-15.1, shall have and recover of defendant Cronin the principal sum of one million forty-two thousand five hundred and twenty-five dollars (\$1,042,525.00), which judgment shall be suspended upon defendant Cronin's payment of \$8,250.00 to the North

Carolina Department of Justice, which sum shall be paid within ten (10) business days of the entry of this Consent Judgment. The monies paid pursuant to this Consent Judgment shall be used for consumer restitution or protection purposes and other purposes allowed by law, in the discretion of the Attorney General. If defendant Cronin fails to pay, the full monetary judgment of \$1,042,525.00 shall be immediately due and payable.

The suspension of the monetary judgment is expressly premised on the truthfulness and accuracy of sworn declarations and information provided by defendant Cronin to the State. If upon motion by the State, the Court determines that any part of the sworn declarations and information defendant Cronin has provided to the State is false, inaccurate, or misleading in any material respect, the Court shall terminate the suspension of the monetary judgment and without further adjudication, shall reinstate the judgment entered in this Consent Judgment, and the full judgment of \$1,042,525.00 shall be immediately due and payable, less any amounts previously paid by defendant Cronin to the State under this Order.

GENERAL PROVISIONS

Scope of Resolution. This Consent Judgment shall fully resolve all legal claims and issues raised or that could have been raised in the Complaint for all activities of defendant Cronin up to the date of this Consent Judgment. Provided, however, that this Consent Judgment shall not be construed to deprive any consumer or other person or entity of any private right under the law.

No Admission. This Consent Judgment shall not be construed as a finding by the Court that defendant Cronin has engaged in any act or practice in violation of the law of the State of North Carolina. Neither the fact of, nor any provision contained in, this Consent Judgment, nor any action taken hereunder, shall constitute, or be construed as an admission or as evidence in

support of any claim or allegation in any pending or future litigation or other proceeding initiated by any consumer or other person or entity.

Binding Effect. This Consent Judgment shall be binding upon defendant Cronin, his agents, and all persons in active or future concert or participation with them, as well as upon the Attorney General; provided, however, that this Consent Judgment shall not bind any other offices, boards, commissions, or agencies of the State of North Carolina.

Future Conduct and Enforcement. This Consent Judgment shall not be construed as approval, sanction, or authorization of any act, practice, or conduct of defendant Cronin or any defendant. Further, this Consent Judgment shall not be construed to limit the authority of the State to enforce prospectively laws, regulations, or rules against defendant Cronin, and shall not be construed as relieving him of the obligation to comply with all state or federal laws, regulations, or rules. The facts alleged in the Complaint will be taken as true and be given collateral estoppel effect, without further proof, in any proceeding based on the entry of this Consent Judgment, or in any subsequent civil litigation by the State to enforce this Consent Judgment or the State's rights to any payment or monetary judgment under this Consent Judgment, such as a nondischargeability complaint in any bankruptcy case.

Construction. This Consent Judgment shall be construed broadly to include any subterfuge, device, or practice engaged in by defendant Cronin and any person or entity participating or acting in concert with him, in an effort to evade the dictates of this Consent Judgment. The parties acknowledge that the statutes giving rise to the claims asserted in this action are remedial in nature. This Consent Judgment, therefore, shall be construed broadly by the Court to give full effect to the legislative policies and purposes underlying such statutes.

IT IS SO ORDERED.

This the 8th day of May, 2017, at 11:45 A.M.

By:

Robert H. Hubbard

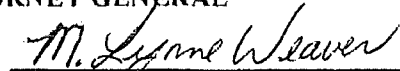
Superior Court Judge Presiding

State of North Carolina, ex rel. Josh Stein, Attorney General v. Liquidation, LLC, et al.
(Case No. 16 CV 005373)

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**CONSENTED TO:
JOSH STEIN, NORTH CAROLINA
ATTORNEY GENERAL**

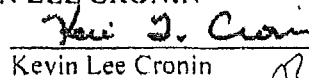
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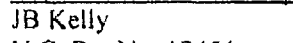
KEVIN LEE CRONIN

By:



Kevin Lee Cronin

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